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No. 99-150

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

WAL-MART STORES, INC.,

Petitioner,

v.

SAMARA BROTHERS, INC.,

Respondent.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR RESPONDENT

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QUESTION PRESENTED

The Court granted certiorari limited to the following question:

What must be shown to establish that a product's design is inherently distinctive for purposes of Lanham Act trade dress protection?

PARTIES TO THE PROCEEDING AND STATEMENT PURSUANT TO RULE 29.6

All parties to the proceedings in the United States Court of Appeals for the Second Circuit are named in the caption. Respondent Samara Brothers, Inc. ("Samara") is a wholly-owned subsidiary of Samara Group Ltd., a corporation organized under the laws of the British Virgin Islands. No publicly held corporation owns 10% or more of Samara's stock.

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STATEMENT OF THE CASE

The core of Samara's business is its line of spring/summer seersucker children's clothing (JA42).[1] Ever since 1985 Samara has designed its line of products to have a consistent appearance. As Samara's Vice President of Sales, Gary Goldman, testified, Samara "ha[s] kind of a feeling that everything that we produce should kind of look like it comes out of our office. It shouldn't be all over the place. It should have a consistent feel to it." The reason for the emphasis on consistency is "[t]o build brand loyalty and establish a customer base." (JA 81-83). The look of the garments in evidence had been used since before 1990 (JA 89).

So complete is market identification of Samara with the Samara look that whenever Samara marketed clothes that departed from the Samara look, its sales were disappointing (JA86). Samara even uses many of the same appliques year after year (JA 89, 91). The district court specifically noted the consistency of Samara's look across its line and over the years, Pet. App. at 47, as did the court of appeals, *id.* at 9-10.

The Samara look is achieved by combining a very limited menu of features in a small number of predictable ways. The features are: seersucker fabric (*passim*); appliques that are large and prominent, to be a focus of the garment (JA 88-89, 132); full-cut conservative bodies, covering more of the child (JA 67); minimal if any trimmings, like lace and bows (JA 132); collars used often, and when used are large and prominent (JA 51); Samara tends to integrate appliques into the construction of the collar, often making the whole collar into an applique (JA 51, 83); appliques are two dimensional, made of solid cloth (rather than print or embroidery), with color running to the edge (rather than with black outlines) (JA 51, 52-53); and garments tend to use one fabric rather than mixed (JA 50).

Although Samara offered in evidence dozens of its garments, those garments fall into a very few immediately

1. "Tr." refers to the trial transcript in the case. "JA" refers to the Joint Appendix.

recognizable patterns. For example, exhibits 4A, 4C, 5A, 6A, 8A, 36A-C and 37A-G (JA 289-93, 298-300, 313-19) each have different appliques, but all are immediately recognizable as emanating from the same source, because all feature a scalloped collar with three appliques, with the appliques so integrated into the collar's construction that the applique itself becomes a scallop. No other company makes a remotely comparable garment (JA 77).

Similarly, exhibits 1A, 32A, 36D-F and 37H-K (JA 287, 296, 301-03, 320-23) each have different appliques, but likewise all are immediately recognizable as emanating from the same source: all use an applique in each collar point, contrasted collars separated by rick-rack borders[2] on which the applique rests, and matching contrasting pockets with matching appliques on the rick-rack borders. Nothing remotely similar from another source (other than Wal-Mart) was offered into evidence.[3]

The Second Circuit synthesized the overall look conveyed by those subsets (Pet. App. A at 18-19):

> The protected trade dress will include most if not all of the following elements: seersucker fabric used exclusively; two or three identically shaped and symmetrically placed cloth appliques (not screen printed) substantially similar to appliques displayed on Samara clothing in vibrant colors integrated into the collar (which is typically large and white), collar line and/or pocket(s) (if any); single-piece, full-cut bodies, and the absence of three dimensional features, outlines and words.
>
> Essential to the "Samara look" is the method by which the design elements are combined on the garments. . . . In particular, the placement of the appliques, typically a row of two or three, along the collar or collar line of the garment and on any pockets is essential to the look.[4]

2. Rick-rack is decorative braiding used on clothing (Tr. 189).

3. To similar effect, see, for example, exhibits 3A, 36G-J and 37L-M (JA 288, 304-07, 324-25) and exhibits 10A and 36R (JA 295, 312). Other than the garments sold in Wal-Mart that led to this lawsuit, not a single garment was offered in evidence that looked even arguably like any of these.

The clearest proof that the Samara look is distinctive comes from Wal-Mart itself. Wal-Mart's senior buyer for infant and newborn boys' clothing, Thomas Kleist, testified under examination ***by Wal-Mart's own counsel*** that he recognized garments with "the Samara type of look" even without looking at the labels (JA 118). Moreover, Wal-Mart's counsel, Mr. Coston, understood the look well enough to be able to draw an infringing design at the trial (JA 100-04, 256).[5]

There is an almost infinite number of ways to design garments (JA 61). There is also a large number of ways to place appliques on garments (JA 50). There was ample evidence of the unlimited possible appearances that children's clothing with appliques can have; Wal-Mart presented many different garments and pictures of garments with appliques, and Samara as well presented a number of different garments and pictures of garments with appliques (other than its own).

The collection of garments that was presented to the jury is but a small sample: Wal-Mart's own witnesses stressed the

4. In its proposed form of judgment, Samara submitted the subsets to the district court as its proposed description of the Samara look (JA 279-81). Though the Second Circuit opinion does not refer to them by subset, the Second Circuit held all the garments protectible except those in ¶ 2(g), which it held unprotectible because they contained too few of the listed features to be protectible. They were just applique on seersucker. Pet. App. 19-20. The others, in ¶ 2(a)-(f), were protected.

5. Wal-Mart's brief asserts (at 42) that Samara's witness Mr. Goldman denied that the collar Mr. Coston hand-drew at the trial with a "strawberry" applique (JA 256) bore the "Samara look." This drawing is within the Second Circuit's definition of Samara's trade dress. But Wal-Mart omits that on the very next page of transcript, Mr. Goldman elaborated that: "It could be a copy of the Samara look." (JA 104). Notably, a Samara garment that looks like what Mr. Coston drew actually was in evidence as Plaintiff's Trial Exhibit 37A (JA 313).

enormous volume of garments that it could have entered into evidence. Mr. Kleist testified that he gets about ***200 samples a week*** from vendors seeking Wal-Mart's business (JA 117). Susan Patrick, Wal-Mart's buyer for infant and toddler girls, likewise testified that she receives ***each week*** "[s]everal hundred" garments (JA 124-25). With this sartorial cornucopia at Wal-Mart's fingertips, it is clear that if the Samara garments were similar to the general run of children's clothing, Wal-Mart would have offered a large number of samples with an overall appearance similar to Samara's. Yet Wal-Mart was unable to show that the Samara garments were not unique and unusual, or were mere variations on or refinements of a common theme. To the contrary: the more garments went into the record, the more it was clear that the Samara garments ***are indeed*** unique and different from the rest of the market.[6]

Other evidence bears this out as well. A third party witness who is a buyer for a regional department store, Patricia Hamilton, testified that: she can easily recognize Samara garments without looking at the labels; they are different from the other garments in the market; the appliques are distinctive and their placements are unique; and the look is not simply "applique on seersucker" (JA 132-33; 135-38). Indeed, a simple examination of seersucker garments with appliques made by other manufacturers shows how different they are from anything made by Samara (*e.g.*, JA 183, 184, 188-90).

A. Wal-Mart's infringement

In 1995, Wal-Mart contracted with Judy Philippine, Inc. ("JPI") to have JPI manufacture for Wal-Mart a large quantity of seersucker garments to be offered for sale under Wal-Mart's

6. From the concededly huge universe of available garments, which Wal-Mart no doubt culled carefully to find the ones it thought most similar to Samara, Wal-Mart at the trial came up with one, and perhaps two, that may have had the same general feel as a Samara garment (Pet. Br. 47; JA 64, 80). But notably, neither of the two garments fits either Samara's description of trade dress (JA 279-81) or its restatement by the Second Circuit, Pet. App. A at 13, 18-19, 20.

house label, Small Steps, in the 1996 spring/summer season. Wal-Mart's records reflect that the samples on which the Wal-Mart buyers' orders were based were Samara garments: the Wal-Mart paperwork bears photographs of what was being ordered, and in many of the photographs the name "Samara" is readily discernible on the hangtags and/or neck labels of the garments, Pet. App. A at 2; *See, e.g.*, JA 160.[7] In all, during the 1996 selling season Wal-Mart sold sixteen different garments copied from Samara. These garments generated over $1.15 million in gross profits for Wal-Mart through July 13, 1996 (JA 204).

There is an infinite number of ways to create attractive children's clothing and an infinite number of ways to use appliques on children's clothing. Scores of ways to put pictures on children's clothing were offered at the trial. There is no legitimate reason for Wal-Mart's conduct here. As the Second Circuit noted, "ample evidence supports the finding that Wal-Mart's marketing of the knock-offs was willful piracy with intent to deceive as to source," Pet. App. 16.

B. The instant litigation

In early June 1996, Samara received a call from a buyer at J.C. Penney who complained that she had seen Samara garments on sale in Wal-Mart for a retail price that was lower than Penney could charge. The buyer said she believed Samara was making garments for Wal-Mart. Samara advised her that Samara did

7. Wal-Mart knew very well what it was doing. A quote sheet is the first step in the paperwork for a Wal-Mart purchase order (Tr. 308). A Wal-Mart buyer, Susan Patrick, was shown the Wal-Mart quote sheet marked as Exhibit 3C2 (JA 160), which she helped create in connection with purchases she made for Wal-Mart of seersucker garments to be made under Wal-Mart's house brand, Small Steps. She testified as follows (JA 122, Tr. 416):

> Q. Is there a hang tag on the garment that's in the photograph?
>
> A. There does appear to be one, yes.
>
> Q. And what does it say on the hang tag?
>
> A. It looks like Samara to me.

not supply Wal-Mart (JA 28). That telephone call led to an all-out effort by Samara to determine the extent to which stores were selling garments that look like Samara's (JA 33-34).

Samara commenced suit on July 2, 1996 against JPI, which manufactured the knockoffs, and several stores (including Wal-Mart) that sold them (JA 12).[8] Wal-Mart asserted cross-claims against JPI for indemnification (*See* JA 3). JPI and the retailers other than Wal-Mart settled Samara's claims against them (*see* JA 273-77). This case against Wal-Mart then came on for trial before a jury. At the end of the trial, after jury instructions about inherent distinctiveness to which Wal-Mart did not object, the jury returned a verdict for Samara, upholding (among other things) the protectibility of its trade dress. It also found that Wal-Mart infringed Samara's trade dress willfully (JA 152).

Wal-Mart moved pursuant to Fed. R. Civ. P. 50 for judgment as a matter of law. In denying that motion (Pet. App. B), the district court held that Samara had provided ample proof of the inherent distinctiveness of its trade dress. It relied not only on the Second Circuit authorities — *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996 (2d Cir. 1995) and *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373 (2d Cir. 1997) — but also on *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342 (C.C.P.A. 1977), which the Second Circuit in *Landscape*, 113 F.3d at 378 n.3, had approved as presenting "a number of factors that may be considered in determining whether a 'design was likely to be understood as an indicator of the product's source," *See* Pet. App. B at 45-47 (*citing Landscape* and *Seabrook*).

---

8. The Complaint asserted claims for copyright infringement, trade dress infringement, violations of the New York consumer fraud statute (Gen. Bus. L. § 349) and common law unfair competition. Samara had registered copyrights for thirteen of the sixteen applique designs, combinations and placements at issue here in June 1996. Pet. App. 2-3.

The Second Circuit affirmed as to all the groups of garments but one. It held that the record supported the finding that Samara's trade dress was inherently distinctive. The Second Circuit also noted that the jury had "analy[zed] the dozens of garments displayed at trial to conclude that Samara's product line is 'inherently distinctive,' " *id.* at 14.

SUMMARY OF ARGUMENT

1. Trademark protection exists to protect both consumers and producers. By encouraging producers to differentiate their products, the Lanham Act secures to consumers a ready way to tell one producer's goods from another, because a company's goodwill (and thus its reputation) is bound up in the symbols on its goods. This informational role of trademarks promotes competition and avoids consumer confusion. A producer may distinguish its goods from those of competitors through any available technique. A product's trade dress — its total visual image, including its shape and texture — is a well-accepted form of product differentiation, which the Lanham Act protects.

2. In *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), this Court held that an inherently distinctive trade dress is protectible without proof of secondary meaning. This Court stressed that nothing in § 43(a) of the Lanham Act distinguished trademarks from trade dress, so if one is protectible without proof of secondary meaning if it is inherently distinctive, so should the other be. Any other result would hinder producers from using unique product identifiers to compete. Similar reasoning compels the conclusion that product design trade dress can be inherently distinctive. Section 43(a) contains no exceptions for product designs. Producers should be encouraged to differentiate products by their designs, if they so choose.

3. Nothing in the language of the Lanham Act, its legislative history or its underlying policy prevents a product design trade dress from being inherently distinctive. *Two Pesos*

mandates such a conclusion. The lower courts and the Patent and Trademark Office ("PTO") all hold that product designs are capable of being inherently distinctive. Any contrary conclusion would be contrary to the Lanham Act's policy of promoting product differentiation. *See* Point I, *infra*.

4. Because (a) product designs can be inherently distinctive, and (b) the statute does not distinguish one form of trade dress from any other, it follows that the test for whether a product design is inherently distinctive is the same as for any other form of trade dress. *Two Pesos* held that the lower court was "quite right" to use the test set forth in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976), which places marks on a continuum from generic (unprotected) to descriptive (protected on a showing of secondary meaning) to suggestive, arbitrary or fanciful (inherently distinctive). Because *Two Pesos* requires a unitary test, the *Abercrombie* spectrum is an appropriate test for all forms of trade dress. Any difficulty in applying *Abercrombie* to product designs can be remedied by using the questions set forth in *Seabrook, supra.*

These two tests are complementary, and may be used together or in the alternative, depending on the product and context, to test the level of distinctiveness of any claimed designator of origin. Both these tests have garnered wide acceptance. Both ask, albeit in different language, how the product in question stands relative to its peers in the market. *See* Point II, *infra*. The other tests formulated in some lower courts, as well as the test Wal-Mart proposes, unduly shift the focus away from the trade dress itself and its market context. Point II, *infra*.

5. Whether a trade dress is inherently distinctive is uniquely a question of fact. In this case, the jury was instructed on the correct legal standard to apply to determine whether Samara's trade dress is protectible. (The instructions included the substance of *Abercrombie*, *Seabrook* and *Knitwaves*.) There was more than ample evidence to sustain the verdict. The district court's opinion upholding the verdict relies on *Knitwaves* and

Seabrook explicitly, and the Second Circuit's opinion affirming the district court relies on, *inter alia*, the type of evidence *Seabrook* calls for. Moreover, the Second Circuit has made clear that *Knitwaves* is satisfied by the type of evidence that satisfies *Seabrook*. Under the standards of review governing appeals from judgments rendered after jury verdicts, as well as this Court's rule against second-guessing facts found by two lower courts, an affirmance is mandated. Point III, *infra.*

ARGUMENT

The Lanham Act reflects Congress's judgment that protecting trademarks fosters competition by protecting producers' efforts to distinguish their products from others in the marketplace. Trademarks (and cognate indicators of origin, like trade dress) serve a valuable informational purpose: they "are the essence of competition, because they make possible a choice between competing articles by enabling the buyers to distinguish one from the other," S. Rep. No. 79-1333, 79th Cong., 2d Sess. 5 (1946), *reprinted at* 1946 USCCAN 1274, 1275. *See also* 1 J.T. McCarthy, *McCarthy on Trademarks and Unfair Competition*, §§ 2:2-2:5 (1996); *Restatement (Third) Unfair Competition* § 9 cmt. c (1995). Thus, the Lanham Act protects any "word, name, symbol or device" that a producer uses "to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown," 15 U.S.C. § 1127. Owners of registered marks may sue to redress infringements of their marks, 15 U.S.C. § 1114, and under § 43(a) of the Lanham Act owners of unregistered marks as well may sue to redress infringements, 15 U.S.C. § 1125(a).

In *Two Pesos, supra*, this Court endorsed "trade dress" as a form of trademark protectible in an action under § 43(a). Trade dress is a product's "total image and overall appearance. It involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics or even particular sales techniques." *Two Pesos*, 505 U.S. at 764 n.1 (internal quotations and citations omitted). *See also* McCarthy

§ 8:1 at 8-2 ("whole visual image"); Restatement § 16 & cmt. a. Under *Two Pesos*, an inherently distinctive trade dress is protectible without proof of secondary meaning.

The question this Court framed for review here is "what must be shown to establish that a product design is inherently distinctive." This emphasis on "what must be shown" underscores that whether a particular trade dress is inherently distinctive is an issue of fact. This appeal was taken from an affirmance (in the main) of a judgment rendered upon a jury verdict in Samara's favor, *see* Pet. App. A., Pet. App. B. Under well-established standards of review, the jury verdict must be upheld so long as the jury was properly instructed and there is evidence in the record to support the verdict.

I. PRODUCT CONFIGURATIONS ARE CAPABLE OF BEING INHERENTLY DISTINCTIVE

Wal-Mart contends that a trade dress based on product "configuration" can never be inherently distinctive. But the question this Court framed for review implicitly assumes that product designs ***can*** be inherently distinctive: This Court did ***not*** grant certiorari to consider ***whether*** product designs can be inherently distinctive, but rather to consider how to tell when that happens. It seems, therefore, that Wal-Mart has gone beyond the question this Court framed, and that the Court should not consider Wal-Mart's argument at all.

It also is questionable whether this case involves a "configuration of goods" at all. This case concerns the appearance of children's clothing. The shape of the clothing, or the components of the clothing — neck opening, sleeves, hems, leg closures — is not at issue here. A Wal-Mart buyer testified that even if the collar and appliques were removed from a Samara dress, leaving only a plain gingham seersucker body, the dress still was "cute," and still was saleable (Tr. 452-53). In other words, the Samara trade dress is not "the item itself" or a "configuration of goods," but rather largely an "add-on," more in the nature of a package than a configuration. Even if the Samara trade dress is deemed to be a "configuration," though,

Wal-Mart's argument still should be rejected, for the reasons set forth below.

A. The statutory language

The analysis begins, as it must, with the language of the statute. Wal-Mart places great weight on the appearance of the words "configuration of goods" in the list of items in § 23(c), 15 U.S.C. § 1091, that can be registered in the Supplemental Register — that is, items that can be accorded protection, and registered in the Principal Register, only once they attain secondary meaning (Brief for Petitioner ("Pet. Br.") 13-14). According to Wal-Mart, this means that a configuration can be a "mark" capable of attaining trademark status, but cannot of itself be "a trademark" eligible for registration on the Principal Register unless and until its owner proves secondary meaning (*id.*).

This analysis proves too much. Section 23(c) also provides for registration on the Supplemental Register of a "label, package," "slogan" or "any combination" of the listed items. These words, like "configuration of goods," do not appear in § 45's definition of trademark.[9] Under Wal-Mart's reading of § 23, therefore, a label or slogan could never be inherently distinctive — which is simply not the law.[10] More pertinent for current purposes, though, ***it would also mean there could never be an inherently distinctive "package."*** The consequence of Wal-Mart's reading of § 23, in other words, would be the death of virtually all trade dress protection. After all, what is at issue in this case is whether there is or should be a difference between trade dress in packaging and trade dress in product designs —

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9. *See* 15 U.S.C. § 1127 ("'trademark' includes any word, name, symbol or device, or any combination thereof. . . .).

10. *See, e.g., Nike, Inc. v. "Just Did It" Enters., Inc.*, 6 F.3d 1225, 1227 n.2 (7th Cir. 1993) (slogan held inherently distinctive); McCarthy § 7:22 at 7-42 & n.11 (to same effect); *Application of Esso Standard Oil Co.*, 305 F.2d 495, 497-98 (C.C.P.A. 1967) (inherently distinctive label).

not whether there can be inherently distinctive trade dress at all. This Court already settled that question in *Two Pesos*. Nothing about the language of § 23(c) indicates that a "package" (or "label," "symbol," or "slogan") is or should be treated differently from a "configuration of goods." If one can be inherently distinctive, the other can too. *See, e.g., Dole v. U.S.W.*, 494 U.S. 26, 35 (1990) ("words grouped in a list should be given related meaning"); *Neal v. Clark*, 95 U.S. 740, 708-09 (1878) ("the coupling of words together shows they are to be understood in the same sense").

If Congress really meant to require that configurations of goods always need secondary meaning to be protectible, the logical place for it to have so provided is in § 2, 15 U.S.C. § 1052, which sets forth which marks can never be registered and which require secondary meaning.[11] Nothing in § 2 indicates that product designs always require secondary meaning. There is no reason a product design cannot be a "trademark" (rather than a mere "mark" under § 23, as Wal-Mart argues), because "trademark" is defined in § 45 to "include[ ] any word, name, symbol or device" used to indicate source, 15 U.S.C. § 1127. A product design can comfortably be a "symbol" or "device" under § 45. But even if not, there still is no reason to say it cannot be a "trademark," because the list in § 45 is not exclusive. *See Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 635 (7th Cir. 1993), *citing In re Kotzin*, 276 F.2d 411 (CCPA 1960).

Also, Wal-Mart ignores § 43(a). Section 43(a) does not distinguish trademarks from trade dress, or one kind of trade dress from another, *cf. Two Pesos*, 505 U.S. at 774. Thus, even apart from the sections dealing with registration, nothing in

11. A trademark cannot be denied registration on the Principal Register "on account of its nature," unless it comes within one of the excepting subsections in § 2 — none of which provides for excluding registration of product designs, shapes or configurations. The only trademarks that can be denied registration because of their "nature," but can overcome the denial by a showing of secondary meaning, are descriptive and geographic terms and surnames, *see* 15 U.S.C. § 1052(f).

§ 43(a) warrants treating one form of trade dress differently from another. *See Two Pesos*, 505 U.S. at 787 (Thomas, J., concurring).

B. Legislative History and Recent Amendments

The legislative history Wal-Mart relies on demonstrates that Wal-Mart is launching an assault on *Two Pesos*, by denying that any kind of trade dress can be inherently distinctive. Wal-Mart's discussion relies heavily on snippets of hearings on the original Lanham Act, culled from a recent article by Professor Lunney,[12] who contends that the original Lanham Act never contemplated the possibility of an inherently distinctive trade dress of ***any*** kind, whether configuration, package or otherwise. For example, one bit of colloquy Wal-Mart relies on suggests that the speaker considered "the shape of a perfumery bottle" — what we might consider packaging[13] — to be a "configuration of goods" under § 23, Pet. Br. 16 n.8. Professor Lunney cites as well legislative history suggesting that Congress meant to prohibit registering trade dress on the Principal Register even if secondary meaning was shown, 48 Emory L.J. at 378 n.39. In addition, Wal-Mart places weight on other snippets that undercut its position.[14] Some snippets date back seven or eight years before the Lanham Act finally passed, relate to drafts that were not enacted and have little probative value in ascertaining

12. Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 Emory L.J. 367, 378-82 (1999).

13. *Cf. Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984) (shape of a lemon juice bottle held inherently distinctive).

14. Thus, some of the remarks Wal-Mart quotes actually indicate that § 23(c) does no more than provide an expansive list of items that can be registered: for example, remarks by Mr. Fuldner indicated that "label, symbol, configuration of goods, slogan or phrase" are all similar in providing "a broad definition of a mark on the Supplemental Register which may, when it becomes distinctive of the goods, get on the Principal Register," Pet.Br. 16 n.9. In other words, it is merely the flip-side of the non-exclusive definition of "trademarks" in § 45.

the intent of the Congress that ultimately passed it.[15] Thus, the legislative history Wal-Mart relies on tells us very little even about the original Lanham Act, and even less about the Lanham Act in its current form, over fifty years later.[16]

Wal-Mart also would have the Court ignore the 1988 amendments to the Lanham Act. As this Court noted in *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 172 (1995) the 1988 amendments were based on the United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors, 77 T.M. Rep. 375 (1987) (the "Trademark Commission Report"). That report specifically recommended that § 43(a) be amended to preclude any possibility that courts might later constrict the broad reading they had accorded to that section, specifically including protection of product configurations.

The Trademark Commission Report treats "trade dress" and "configurations of goods" the same way.[17] By that time a

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15. *See, e.g., Gustafson v. Alloy & Co.*, 513 U.S. 561, 580 (1995) (preferable source of legislative history is documents prepared by Congress when deliberating); *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 203 n.24 (1975).

16. That Wal-Mart's argument amounts to a bald attack on several decades of Lanham Act jurisprudence is apparent from Wal-Mart's citation to Professor Lunney's conclusion that "it would be 'absurd' to contend that 'Congress intended . . . to recognize trade dress as registrable trademarks and to eliminate the secondary meaning and functionality requirements.' " Pet. Br. 17 n.9, citing Lunney, 48 Emory L.J. at 378-82.

17. Section 43(a) . . . . has been widely interpreted to create, in essence, a federal law of unfair competition. While it has spawned occasional maverick decisions, the section now provides relief against infringement of unregistered trademarks, unfair competition arising from the ***copying of trade dress and certain configurations of goods*** . . . . It has definitely eliminated a gap in unfair competition law. . . .

(Cont'd)

number of lower courts had recognized that product designs can be inherently distinctive.[18] So had the Trademark Trial and Appeal Board.[19]

The Senate Report that accompanied the 1988 amendments likewise endorsed the judicial interpretations that accorded protection to product designs:

> Section 35 revises Section 43(a) of the Act (15 U.S.C. 1125(a)) to codify the interpretation it has been given by the courts. Because Section 43(a) of the Act fills an important gap in federal unfair competition law, the committee expects the courts to continue to interpret the section. . . .
>
> [I]t has been applied to cases involving the infringement of unregistered marks, violations of trade dress ***and certain nonfunctional configurations of goods*** and actionable false advertising claims.

S. Rep. No. 100-515, 100th Cong., 2d Sess. 40, 1988 U.S. Code Cong. & Admin. News 5577, 5603 (1988). Thus Congress made no distinction between violations of trade dress and violations

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> The Commission was reluctant to recommend any change at all. However, ***to prevent judicial back-tracking*** and in light of the recommendations for change to other sections of the Act, the Commission believes it advisable to conform the language of Section 43(a) to the expanded scope of protection applied by the courts.

77 T.M. Rep. at 426 (emphasis added), (footnote omitted).

18. *See, e.g., In re Morton-Norwich Prods. Inc.*, 671 F.2d 1332, 1343 (C.C.P.A. 1982); *Dallas Cowboys Cheerleaders, Inv. v. Pussycat Cinemas, Ltd.*, 604 F.2d 200, 204 (2d Cir. 1979).

19. *See, e.g., In re Superba Cravats, Inc.*, 145 U.S.P.Q. 354 (T.T.A.B. 1965) (black and white display hook for ties was inherently distinctive); *In re International Playtex Corp.*, 153 U.S.P.Q. 377 (T.T.A.B. 1967).

of nonfunctional product configurations. Congress meant for the same rule to govern both.[20]

C. PTO Practice

Wal-Mart's position is also contrary to PTO policy. The Trademark Manual of Examination Procedure ("TMEP") expressly contemplates that product configurations can be inherently distinctive, *see, e.g.*, TMEP §§ 1202.03(b)(ii), (iii). Administrative decisions are to like effect. *See, e.g., In re Corning Glass Works, Inc.*, 6 U.S.P.Q.2d 1032 (T.T.A.B. 1988); cases cited in TMEP § 1202.03(f)(iv).

D. Judicial Decisions

Judicial precedent confirms that product designs can be inherently distinctive, most notably this Court's decision in *Two Pesos*. *Two Pesos* disapproved a line of Second Circuit cases that held secondary meaning was always required for trade dress, whether or not inherently distinctive, 505 U.S. at 773. Each of the Second Circuit cases that this Court disapproved in *Two Pesos*[21] concerned what Wal-Mart would call a "product configuration": the configuration of raingear (*Stormy Clime*); the appearance of a vacuum bottle (*Union Mfg.*); the appearance of luggage (*LeSportsac*); and the configuration of an exercise belt (*Vibrant Sales*). *Two Pesos* thus requires that these product designs ***could*** be inherently distinctive.

Wal-Mart's rigid rule that product designs can never be inherently distinctive is also at odds with this Court's approach in *Qualitex, supra*. *Qualitex* disapproved of a rigid rule that a single color, standing alone, can never serve as a trademark. The crux of *Qualitex* is that the Lanham Act does not admit of

20. This Court as well has noted the protective and expansionary nature of the 1988 amendments, *see Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 172-73 (1995).

21. *Stormy Clime Ltd. v. ProGroup, Inc.*, 809 F.2d 971 (2d Cir. 1987); *Union Mfg. Co., v. Han Baek Trading Co.*, 763 F.2d 42 (1985); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (1985); *Vibrant Sales, Inc. v. New Body Boutique Inc.*, 652 F.2d 299 (2d Cir. 1981), *cert. denied*, 455 U.S. 909 (1982).

rigid rules for formalistic classifications, like "color, shape, fragrance, word or sign," *id.* at 163. What is important is not that a feature is a color, texture or shape, but rather whether it has source-indicative capacity as measured by a proper legal test.[22] Wal-Mart's proposed rule would enshrine rigidity in the Lanham Act instead of having each case decided on its facts, and is thus contrary to *Qualitex*.

The Federal Circuit and its predecessor court, the Court of Customs and Patent Appeals — the courts with specialized jurisdiction of PTO registration issues, *see* 15 U.S.C. § 1071(a), 28 U.S.C. § 1295 — likewise have consistently found that product configurations can be inherently distinctive. *See, e.g., Braun, Inc. v. Dynamics Corp.*, 975 F.2d 815, 825-26 & nn. 18, 19 (Fed. Cir. 1992); *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1343 (C.C.P.A. 1982). Every single circuit faced with the issue has held that it is possible for product designs to be inherently distinctive. The circuits may differ as to how to test for inherent distinctiveness, but none of them deny that a product design can be inherently distinctive.[23]

22. *Qualitex* seems to suggest, thought does not hold, that a single color, standing alone, is not inherently distinctive. The Court did not explain ***why***; presumably it is because almost all items bear ***some*** color, so that color would be part of the item's description (*e.g.* a blue car, a red tote bag, etc.), rather than a separate feature. But equally presumably, a combination of colors ***could*** be inherently distinctive.

23. *See, e.g., I.P. Lund Trading v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1988); *Landscape, supra*, 113 F.3d 373 (2d Cir. 1997); *Knitwaves, supra*; *Duraco Prods., Inc. v. Joy Plastic Enters. Ltd.*, 40 F.3d 1431 (3d Cir. 1994); *Ashley Furniture Indus. Inc. v. Sam Giacomo, N.A., Ltd.*, 187 F.3d 363 (4th Cir. 1999); *Pebble Beach Co. v. Tour 18 Ltd.*, 155 F.3d 526 (5th Cir. 1998); *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 936 (7th Cir. 1989); *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780 (8th Cir. 1995); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991).

The Seventh Circuit has suggested, though only in dictum in a footnote, that secondary meaning is required for product configurations. (Cont'd)

Wal-Mart contends that product designs can never be inherently distinctive under *Abercrombie*, because product designs are always descriptive in that they do no more than describe the product itself (Pet. Br. 23-25). Interestingly, Wal-Mart bases this argument on the Fifth Circuit's opinion in *Pebble Beach*, *supra*. But Wal-Mart tells the Court only half the story. In *Pebble Beach*, the two golf hole designs that consisted merely of such things as hills, bunkers, trees, fairways — features that every course has in its holes — were descriptive because they "create golf holes and nothing more." *Id.* at 541. But the district court in *Pebble Beach* had also held that a third hole design ***was*** inherently distinctive.[24] The Fifth Circuit did not address that ruling because it affirmed the district court's alternative holding that the third hole had acquired secondary meaning (which made it unnecessary to reach the inherent distinctiveness issue), *id.* at 541 n.8. But *Pebble Beach* certainly does not suggest that configurations are always descriptive. Indeed, that the Fifth Circuit classified golf holes under *Abercrombie* suggests precisely the opposite — that configurations ***can*** be inherently distinctive, if they meet the criteria.

Ashley, supra, confirms this. The Fourth Circuit held in *Ashley* that the overall appearance of a line of furniture could be inherently distinctive, and reversed the trial court's grant of summary judgment to the defendant. Wal-Mart here makes the same error as the trial court in *Ashley*: it argues that "a product configuration cannot be inherently distinctive under the *Abercrombie* factors because the features of the trade dress sought to be protected constitute the product itself" (Pet. Br. 24). But the trade dress is the totality of features that comprise the product's image, not the product itself. *Ashley*, 197 F.3d at 370; *see also Stuart Hall, supra*. Other courts as well have

(Cont'd)
Kohler Co. v. Moen, Inc., 12 F.3d 632, 641 n.11 (7th Cir. 1993). But other Seventh Circuit authority recognizes inherently distinctive product design trade dress. *E.g. Roulo, supra*, 886 F.2d at 936.

24. It had an unusual feature — a lighthouse.

applied *Abercrombie* to uphold the inherent distinctiveness of product design trade dress.[25] There is thus no basis for Wal-Mart's argument that product designs are always descriptive under *Abercrombie*.

E. Common Law and Patent Law

Wal-Mart's contention that § 43(a) in its current form is no more than a federal codification of pre-existing common law (Pet. br. 26) is grossly inaccurate. The 1988 amendments, *Two Pesos* and *Qualitex* all make clear that § 43(a) has moved well beyond the pre-1946 common law, *see Two Pesos*, 505 U.S. at 783 (Stevens, J. concurring), 787 (Thomas, J., concurring). *Qualitex*, 514 U.S. at 172-73. *See also* pp. 14-16, *supra* (legislative history of 1988 amendments).

Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964) do not support Wal-Mart. Those two cases held only that *state* unfair competition law cannot interfere with federal patent policies of permitting free copying of what is placed in the public domain. But *Compco* stressed that "***if*** the design is not entitled to a design patent ***or other federal statutory protection***, then it can be copied at will," 376 U.S. at 238. The Lanham Act is "other federal statutory protection" that can prohibit copying. *See, e.g., Thomas R. Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 287 (7th Cir. 1998), *cert. denied*, 119 S. Ct. 336 (1998).

Bonito Boats Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989) underscores this point. *Bonito Boats* stressed that

25. *See, e.g., Insty*Bit, Inc. v. Poly-Tech Indus., Inc.*, 95 F.3d 663, 673 (8th Cir. 1996) ("a reasonable trier of fact could find that the [product design] trade dress is arbitrary, fanciful, or suggestive"), *cert. denied*, 519 U.S. 1151 (1997); *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1118, 1120 & n.8 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 202, 204 (2d Cir. 1979) ("a combination of the white boots, white shorts, blue blouse and white star-studded vest and belt is an arbitrary design"); *Big Top USA v. Wittern Group*, 998 F. Supp. 30, 47 (D. Mass. 1998).

the patent laws strike a balance between "the desire to freely exploit the full potential of our inventive resources and the need to create an incentive to deploy those resources," *id.* at 152. The Lanham Act, of course, is a different statute, with different aims and objectives: it protects not innovation, but product differentiation as an indicator of source. *See, e.g., Dallas Cowboys Cheerleaders, supra*, 604 F.2d at 204 ("[*Sears/Compco*] does not apply in a trademark infringement action where the plaintiff does not assert exclusive rights to the sale of a product but merely to a mark indicating its origin or sponsorship"); Brief of United States as Amicus Curiae ("U.S. Br.") at 10. Section 43(a) is consistent with the patent laws; each operates in its own sphere, *Bonito Boats* at 166. *Cf. Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974).

Wal-Mart's contention (Pet. Br. 28-29) that "[m]any courts . . . look to the design patent provisions . . . as an expression of Congress's intent on how far trademark protection should extend to designs" is faulty. The Federal Circuit held this year in *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356 (Fed. Cir.), *cert. denied*, 68 USLW 3353 (Nov. 29, 1999), that a product design feature within the scope of a utility patent could be protected under § 43(a) of the Lanham Act; the district court was required to make a Lanham Act functionality inquiry.[26] *See also id.* at 1362 ("this court and its predecessor have repeatedly held that the availability of trade dress protection does not depend on whether a patent has been obtained for the product or feature in question"). Nor does an expired design patent determine the scope of Lanham Act protection, *In re World's Finest Chocolate, Inc.*, 474 F.2d 1012, 1014-15 (C.C.P.A. 1973) ("The mere existence of design patent rights is independent of, and immaterial to, the ownership of trademark rights"). For at least the last 35 years, the lower courts have held uniformly that design patent law does not define the scope

26. Utility patents are evidence of functionality but not conclusive. *See, e.g., In re Bose Corp.*, 772 F.2d 866, 871-72 (Fed. Cir. 1985); *Disc Golf Ass'n v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir. 1998).

of trade dress law.[27] This virtual unanimity should be unsurprising in view of this Court's caution in *Bonito Boats*, noted above, that the patent laws do not necessarily conflict with the Lanham Act. The case Wal-Mart relies on, *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1508 (10th Cir. 1995), *cert. denied*, 51 U.S. 1067 (1996), "stands alone" as the sole case to use any aspect of patent law to define the scope of trade dress law, 175 F.3d at 1364, and has been roundly criticized, McCarthy § 7:68 at 7-148-49.[28]

F. Lanham Act Policy

The Committee Report accompanying the Lanham Act makes clear that the goal of the Lanham Act is to enhance competition through product differentiation:

> Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyers to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed.

S. Rep. No. 79-1333, 79th Cong., 2d Sess. 3-5, reprinted in 1946 U.S. Code Cong. & Admin. News 1274, 1275 (1946). This Court

27. *See, e.g., Ashley*, 187 F.3d at 376; *Tone Bros. v. Sysco Corp.*, 28 F.3d 1192, 1201 n.9 (Fed. Cir. 1994), *cert. denied*, 514 U.S. 1015 (1995); *Kohler Co., supra*, 12 F.3d at 638; *Esercizio v. Roberts*, 944 F.2d 123, 1240-41 (6th Cir. 1991); *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 309 (2d Cir. 1972) ("trademark protection is separate from that afforded by a design patent") (citations omitted); *In re Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964).

28. The other case Wal-Mart cites, *Duraco*, is discussed later.

expressly endorsed this policy in *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985).[29]

A product's trade dress can indicate source just as surely as a symbol or word placed on the product. *Two Pesos*, 505 U.S. at 771; Restatement § 16 cmt. a. Thus, the policy watchword in this area has been flexibility: Congress has been loathe to do anything to limit the ability of courts to afford protection to producers who find new ways to differentiate their goods from competitors. As noted (pp. 14-16), both the 1988 Senate Report and the Trademark Commission Report stressed judicial flexibility under § 43(a).

Congress recently considered an amendment to the Lanham Act that would have codified trade dress protection and enacted the *Seabrook* factors for all forms of trade dress. H.R. 3136, 105th Cong., 2d Sess. (1998). A number of interested persons testified about the bill. The witnesses' positions differed somewhat about specific provisions within the bill, but much of the testimony is pervaded by concern that any explicit provision for trade dress protection could freeze the law and inhibit the flexibility courts need to adapt to changes in commerce and types of products.[30] It is, of course, hazardous to

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29. The Lanham Act provides national protection of trademarks in order to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers. *See* S. Rep. No. 1333, at 3, 5. National protection of trademarks is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation. *Id.* at 4.

Park 'n Fly, 469 U.S. at 198. *See also* Restatement § 9 cmt. e; *Sicilia Di R. Biebow, supra*, 732 F.2d at 426 ("Lanham Act's purpose [is] protecting product distinguishability").

30. *See, e.g.*, Statement of Theodore H. Davis, Jr., Section of Intellectual Property Law, American Bar Assn., Feb. 12, 1998 (appears at *http://www.house.gov/judiciary/41153.htm*) ("[T]he existing (Cont'd)

infer congressional intent from actions not taken. But in view of Congress's desire to retain flexibility, it is fairly inferable that H.R. 3163 was not adopted at least in part because of Congress's reluctance to calcify trade dress law. Wal-Mart's proposed hard-and-fast rule is contrary to the longstanding congressional desire that the courts foster commerce and competition by applying the Lanham Act flexibly.

II. ALL TRADE DRESS SHOULD BE TESTED FOR INHERENT DISTINCTIVENESS BY THE SAME CRITERIA

Section 43(a) of the Lanham Act and this Court's previous decisions mandate that all forms of trade dress be evaluated under a single legal standard. Using a different rule of law for some types of trade dress that is not applicable to others would spawn numerous thorny issues, which will complicate trials even

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(Cont'd)
definition of 'mark' already is broad enough to sweep in nontraditional designations of origin, and the potential added benefit from amending this standard is unclear"); Testimony of David Stimson, President, International Trademark Assn., Feb. 12, 1998 (appears at *http://www.house.gov/judiciary/41152.htm)* ("There is a real danger that trade dress legislation at this time will remove the intended flexibility of the Lanham Act. . . . INTA urges the subcommittee to consider the position that the current provisions of the Lanham Act are sufficiently broad to encompass trade dress, as they have been doing for years").

After cautioning against any revision of § 43, Mr. Stimson's testimony addressed the specific provisions of H.R. 3163, and advocated a more restrictive approach to product design trade dress than other forms. But Wal-Mart's assertion that INTA's reluctance to fully protect product designs caused H.R. 3163 to die in committee is unsupported; it is just as logical to suppose that the subcommittee determined not to enact explicit trade dress legislation in order to preserve flexibility. Moreover, INTA's amicus brief in this Court, advocates a variant of the *Seabrook* standard, *see* INTA Br. at 17-20. Although it differs somewhat from Samara's, INTA's position in this Court on protecting product design trade dress is closer to Samara's than to Wal-Mart's, and is less restrictive than Stimson's testimony in Congress.

further. There is no good reason for courts to take on the burden of formulating a new test, because existing trade dress law is sufficiently flexible. It is simply a question of recognizing what the existing rules are trying to accomplish, and using the tools given by the existing case law to formulate consistent and objective criteria that will permit a finder of fact to make intelligent decisions.

The detailed factual argumentation in Wal-Mart's brief highlights starkly that whether a mark is inherently distinctive is an issue of fact.[31] As a question of fact, it is uniquely within the purview of the jury. So long as the jury was appropriately instructed — in this case it was, *see infra*, Point III.A, and Wal-Mart in any event did not object to the instructions — there is no basis to second-guess its judgment about whether the facts of record establish a protectible trade dress, any more than there is reason in a tort case to question a jury's judgment about whether the facts establish negligence. The question might be occasionally difficult or nuanced, but answering hard questions is what we rely on juries to do. As Samara shows below, the appropriate test to apply to ascertain inherent distinctiveness of any form of trade dress, product design or package, is the tandem of *Abercrombie* and *Seabrook*. These tests provide a jury (or other finder of fact) with firm and definite guidance.

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31. *See, e.g., Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033 (2d Cir. 1993); *Wiley v. American Greetings Corp.*, 762 F.2d 139, 141 (1st Cir. 1985) ("Whether a design is 'inherently distinctive,' *i.e.*, whether it is arbitrary or merely descriptive, is ordinarily a question of fact.") (citation omitted); *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1183 n.12 (5th Cir. 1980) ("Any given term's correct categorization is a factual issue.") (citations omitted), *cert. denied*, 450 U.S. 981 (1981).

A. *Two Pesos* requires application of the *Abercrombie* classifications; *Seabrook* should be used as an adjunct or alternative to *Abercrombie*

1. *Two Pesos* mandates the same test for all forms of trade dress

This Court in *Two Pesos* held that the Fifth Circuit had been "quite right" to apply the *Abercrombie* classifications in asking whether the trade dress there at issue was inherently distinctive, *Two Pesos*, 505 U.S. at 773. The Court went on to note that there is no textual basis in § 43(a) for "treating inherently distinctive verbal or symbolic trademarks differently from inherently distinctive trade dress," *id.* at 774. There is similarly no basis in the text of § 43(a) for distinguishing between one type of trade dress (packaging) and another (product design).

Two Pesos criticized the Second Circuit for "den[ying] protection for unregistered, but inherently distinctive, marks of ***all kinds***, whether the claimed mark used distinctive words or symbols ***or distinctive product design***." *Id.* at 772 (emphasis added). In noting that the Second Circuit's approach of requiring secondary meaning even when a trade dress is inherently distinctive "is in considerable tension with the provisions of the Lanham Act," this Court explicitly grouped product designs with verbal or symbolic marks, and treated them the same way:

> If a verbal or symbolic mark ***or the features of a product design*** may be registered under § 2, it necessarily is a mark 'by which the goods of the applicant may be distinguished from the goods of others,' and must be registered unless otherwise disqualified. Since § 2 requires secondary meaning only as a condition to registering descriptive marks, there are plainly marks that are registrable without showing secondary meaning. These same marks, even if not registered, remain inherently capable of distinguishing the goods of the users of these marks.

Id. (emphasis added). *Two Pesos* thus directs that anything capable of distinguishing and identifying goods under § 43(a) should be evaluated the same way, and that *Abercrombie* is an appropriate test.

Three years later, in *Qualitex, supra*, this Court reaffirmed that *Abercrombie* is a viable test even for non-verbal marks. *Qualitex* holds that a single color, standing alone, can serve as a trademark — though because *Qualitex* suggests a single color is not suggestive, arbitrary or fanciful, it is protectible only on a showing of secondary meaning. 514 U.S. at 162-63.[32] *Qualitex* noted, however, that "'fanciful,' 'arbitrary' or 'suggestive' words ***or designs*** . . . almost automatically tell a customer they refer to a brand." *Id. Qualitex* thus confirms that this Court approves of applying the *Abercrombie* scale even to nonverbal marks.

2. *Abercrombie* and *Seabrook* together provide a reliable and objective test for testing all forms of trademarks

1. In the years since *Two Pesos*, many courts have applied the *Abercrombie* scale to determine whether product designs are inherently distinctive; it has proved to be workable both on appeal and in trial courts. *See, e.g., Ashley, supra*; *Pebble Beach, supra*; *Stuart Hall, supra*; *Kurt S. Adler, Inc. v. World Bazaars, Inc.*, 897 F. Supp. 92, 96-97 (S.D.N.Y. 1995); *Health O Meter, Inc. v. Terraillon Corp.*, 873 F. Supp. 1160, 1171 (N.D. Ill.), *app. dismissed*, 52 F.3d 342 (Fed. Cir. 1995); *Kompan A.S. v. Park Structures, Inc.*, 890 F. Supp. 1167, 1174 (N.D.N.Y. 1995).

2. Some courts do not apply the *Abercrombie* scale to product design trade dress because they say *Abercrombie* does not fit well as a framework for analyzing distinctiveness of product features. *See, e.g., Knitwaves, supra*, 71 F.3d at 1007; *Duraco, supra*, 40 F.3d at 1440-41. But this perceived difficulty does not justify discarding *Abercrombie*. As the Fourth Circuit observed earlier this year in *Ashley*, 187 F.3d at 370, "it is not inherently impossible, illogical, or anomalous to apply the *Abercrombie* categories to product configuration. The

32. *See* note 22, *supra*.

configuration of a banana flavored candy, for example, would be generic if the candy were round, descriptive if it were shaped like a banana, suggestive if it were shaped like a monkey, arbitrary if it were shaped like a trombone, and fanciful if it were formed into some hitherto unknown shape." Thus, the degree of "fit" depends on the particular product.

This is not to deny that it can be difficult at times to apply *Abercrombie* to a product design. *See, e.g., Krueger Int'l, Inc. v. Nightingale, Inc.*, 915 F. Supp. 595, 601 (S.D.N.Y. 1996) ("Does the shape of a chair seat 'suggest' a chair seat? Does it 'describe' a chair seat?"). But it can be difficult as well to apply *Abercrombie* to a package, *see, e.g., Rubbermaid Commercial Prods., Inc. v. Contico Int'l, Inc.*, 836 F. Supp. 1247, 1260 (W.D. Va. 1993) (the "line between 'suggestive' and 'descriptive' . . . is difficult to draw"), and often to words as well.[33] That a test sometimes presents perplexity is not a reason to discard it, *cf. Qualitex*, 514 U.S. at 168 (cautioning against "rel[ying] on an occasional problem to justify a blanket [rule]").

The lesson to be drawn from the occasional difficulty of the *Abercrombie* standard is not that a separate test is needed, but rather that the ultimate decision as to where a given trade dress fits on the scale necessarily is for the trier of fact. Much as factfinders decide whether a set of facts amounts to negligence, factfinders likewise can decide that a set of facts presents an inherently distinctive trade dress. Our system trusts properly instructed juries to make difficult factual decisions as a matter of course, *see* Pet. App. A at 6 & n.1.

3. In the final analysis, there is a great deal of merit to the position of the United States (U.S. Br. 16-17) that in principle, *Abercrombie* sets up a spectrum in which marks that bear no

33. *See, e.g., Thompson Medical Co., Inc. v. Pfizer, Inc.*, 753 F.2d 208, 213 (2d Cir. 1985) ("the judiciary is ill-equipped to distinguish between the descriptively suggestive and the suggestively descriptive marks"); *20th Century Wear, Inc. v. Sanmark-Stardust Inc.*, 747 F.2d 81, 87 (2d Cir. 1984) (decision is "slippery business"); *Abercrombie*, 537 F.2d at 10 (difficult to distinguish descriptive from suggestive).

relationship to the product (arbitrary or fanciful) are at one end, and those inextricably tied to the product (generic) are at the other, with a "variably problematic range" in the middle. So viewed, there is no reason to set up a different test for product design trade dress than for any other form of trade dress (or, for that matter, word marks); it is simply a matter of using the proper analytical tools and applying them correctly and consistently.

4. Because the task is not always an easy one, it will often be helpful to have a tool to assist in locating a particular trade dress on the *Abercrombie* spectrum. The logical tool is the *Seabrook* test, in which the finder of fact asks the court a non-exclusive set of questions to ascertain "whether a design is arbitrary or distinctive," including whether the design is common, whether it is unique and unusual, and whether it is a mere refinement of common ornamentation, 568 F.2d at 1344.

Seabrook is useful because it asks objective, market-oriented questions that direct the fact finder to compare the trade dress at hand to its peers in the market. After all, the issue is whether something is inherently distinctive: whether it distinguishes. It makes sense to look at what the product is being distinguished from. *Seabrook* thus is a logical complement to *Abercrombie*: clearly, a good way so see how close the relationship is between a mark or trade dress and its associated product (which is the question *Abercrombie* asks, *see Stuart Hall*, 51 F.3d at 786) is to look at the rest of the market: if the mark, or a slight variant of it, is commonly used, it is more likely to be an accoutrement of the product, and thus to be descriptive. If, however, the mark is unlike the remainder of the field, if it stands out among its peers, then it is more likely to be suggestive, arbitrary or fanciful. *See* U.S. Br. 19-20.

Applying *Seabrook* as an adjunct to *Abercrombie* is hardly a big leap in the law. Many lower courts already apply *Seabrook* with or alternatively to *Abercrombie*, either by explicit reference or by comparing the subject matter of the case to its competitors in the market. *See, e.g., Ashley, supra*, 187 F.3d at 371 (explicit reference to *Seabrook*); *Stuart Hall, supra*, 51 F.3d at 786-87

(explicit reference); *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 869-70 (8th Cir. 1994) (pillow-shaped package too common to be inherently distinctive); *Computer Care v. Service Sys. Enters.*, 982 F.2d 1063, 1069 (7th Cir. 1992) ("[E]vidence of uniqueness supports a finding that a trade dress is inherently distinctive"). *See also Mana Prods., Inv. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063, 1069-70 (2d Cir. 1995) (black compact design too common to be distinctive). Even the Second Circuit purports to incorporate *Seabrook* into its analysis of product design trade dress, *see Landscape, supra*, 113 F.2d at 378 n.3 (Second Circuit *Knitwaves* test "fits neatly" into *Seabrook*).

Other courts apply *Seabrook* in preference to *Abercrombie*, even while recognizing that *Abercrombie* is a legitimate approach, *e.g., I.P. Lund, supra*, 163 F.3d at 40; *Tone Bros., Inc. v. Sysco Corp.*, 28 F.3d 1192, 1205 (Fed. Cir. 1994), *cert. denied*, 514 U.S. 1015 (1995). Using *Abercrombie* and *Seabrook* in tandem, or alternatively, based on context, will thus unify and simplify the lower courts' evaluation of all claims under the Lanham Act. *See* U.S. Br. at 22-24 (wide acceptance of *Seabrook*); Restatement § 16 cmt. b (same test for all forms of trade dress).

B. Reasons not to evaluate product design trade dress under a separate test from other kinds of trade dress.

Using a different test for product design trade dress is likely to lead to thorny definitional issues and a host of technical arguments that will have the effect of undermining the Lanham Act's policy of benefitting consumers by providing them with the kind of information that product differentiation provides.

1. The purported distinction between "packaging" and "product design" is not informative or helpful. The prime example of this is *Two Pesos* itself. The circuits disagree on whether the inherently distinctive trade dress at issue in *Two Pesos* — the layout and decor of a Mexican restaurant

— was packaging or product design.[34] Often the same trade dress can be either or both package and design. Consider a plastic bottle with a unique shape, say, a double helix. If sold with fruit drink in it, it would be a package, but if sold empty, as a sports bottle, it would be a product design. Yet it would be no more or less distinctive in either case. Or consider a product covered in a wrapper bearing an unusual pattern. Should the analysis of trade dress protectibility change if the pattern was printed directly on the item? How about if the pattern was embossed on the item? Or in bas relief? No logical demarcation can be drawn.[35]

2. The purported package/design distinction also is a potentially fertile font of litigation complexity. The fact-finder first would have to classify a claimed mark (package or design) in order to know which test to apply, and only then could proceed to apply that test to determine protectibility. What criteria would the Court enunciate to assist fact finders in deciding whether a trade dress is packaging or design? Are there objective criteria that make sense? Samara believes not.[36]

3. Any distinction between packaging and design would freeze the law into the present-day understanding of what a product is and how it is marketed. No one knows what types of products may arise in the future or what methods producers may then choose to distinguish their goods. Favoring one method of identifying source over another would restrict the flow of information to users and could have negative effects on

34. Compare *Duraco*, 40 F.3d at 1442 (more like a package), with *Ashley*, 187 F.3d at 370 (more like a product design).

35. Even the Second Circuit acknowledged that "it may at times be difficult to say exactly where a product stops and its packaging begins," *Landscape*, 113 F.3d at 379.

36. *Cf. Ashley, supra*, 187 F.3d at 371 ("the *Two Pesos* Court exhibited a desire for a uniform approach to claims under § 43(a)"); *Krueger Int'l, supra*, 915 F. Supp. at 602 ("the entire thrust of *Two Pesos* was to unify the standards for trademark and trade dress, not to balkanize this complex field into yet more subcategories").

future competition.[37] This is contrary to Congress's preference for flexibility in this area, *see supra* pp. 21-23.

4. Setting up a separate test will have unfair anticompetitive effects on producers whose products do not lend themselves readily to being displayed in a wrapper or package, or are not customarily so displayed. Such products as furniture,[38] greeting cards,[39] trucks[40] — or , as in this case, children's clothing — usually present themselves to the public based on the overall visual appearance of the object itself. There is nothing in logic or the Lanham Act to require that these vendors' efforts to distinguish their products be accorded less respect than the efforts of those whose products have labels or packaging.[41]

5. Even as to products that are initially sold in a package, producers might want to differentiate their product so that it remains identifiable even after the initial sale, after the wrapper is crumpled and discarded. *See, e.g., Insty*Bit, supra*, 95 F.3d at 672; D. M. Tichane, *The Maturing Trademark Doctrine of Post-Sale Confusion*, 85 Trademark Rep. 399, 405-10 (1995).

37. Consumers benefit from the greatest number of indicia by which to distinguish products: some may focus more strongly on words, while others on shapes. There is no reason to dissuade consumers from exercising their purchasing decisions on the basis of additional valuable information. It is not for the courts to shape the ways in which manufacturers create product-source associations, or the ways in which consumers develop those associations.

G.B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C.L.Rev. 471, 561-62 (1997) ("Dinwoodie").

38. *See, e.g., Ashley, supra*, 187 F.3d 363 (4th Cir. 1999); *Imagineering, Inc. v. VanKlassens, Inc.*, 53 F.3d 1260 (Fed. Cir.), *cert. denied*, 516 U.S. 909 (1995).

39. *See, e.g., Roulo v. Russ Berrie*, 886 F.2d 931 (7th Cir. 1989).

40. *See, e.g., Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976), *cert. denied*, 429 U.S. 861 (1976).

41. Dinwoodie, *supra*, 75 N.C. L. Rev. at 560.

Again: nothing justifies "making more difficult the identification of a producer with its product [by imposing] a secondary meaning requirement for a non-descriptive trade dress [that] would hinder improving or maintaining the producer's competitive position." *Two Pesos*, 505 U.S. at 774.

In short, "[i]t is simply incorrect to suggest that in all cases packaging or labeling will identify a product's source with greater certainty and immediacy than will the product's shape."[42] Therefore, there is no reason to set up a separate, more stringent test for product designs than for packaging.

C. The justifications given for setting up a stricter test for product designs are flawed

1. The courts and commentators who seek to impose a higher standard typically rely on the observation in Comment b to Restatement § 16, that "it is less common for consumers to recognize the design of a product or product feature as an indication of source," *e.g. Duraco*, 40 F.3d at 1441. But these authorities ignore the Restatement's rule in § 16, which is a single test for protectibility of all forms of trade dress. Indeed, comment b itself says that "[t]his section is also applicable to the recognition of trademark rights in the distinctive design features of the goods themselves." Whatever the drafters may have believed ***as a factual matter*** to be the likely outcome in the general run of cases, they recognized that the legal test should not change. Setting up a different test amounts to thumbing the scales in order to ensure that the outcome in any one case matches a pre-existing expectation of what the result should be, as a statistical matter, in the general run of cases. That is not only legally unwarranted, but unfair to individual litigants.

2. It appears that the proponents of a different test misconceive the nature of product design trade dress. The trade dress is ***not*** "the product itself," as the Third Circuit suggested in *Duraco, supra*, 40 F.3d at 1440. Rather, as the Fourth Circuit explained in *Ashley*, "the trade dress of a product, even in a

42. Dinwoodie, *supra*, 75 N.C. L. Rev. at 560.

product configuration case, consists not of the entire product but only of those nonfunctional features of the product that taken together, make up its total image." *Ashley*, 197 F.3d at 370, *citing Stuart Hall*, *supra*, 51 F.3d at 788. *See also* U.S. Br. 11-12.

3. Several amici have stated the concern that providing trade dress protection for "the product itself" will have undesirable anticompetitive effects. But competition concerns are adequately addressed by existing Lanham Act law. First, trade dress protection is pro-competitive. "Where the owner of a trade-mark has spent energy, time, and money in presenting to the public a product, he is protected in his investment from misappropriation by pirates and cheats." S. Rep. No. 1333, 79th Cong. 2d Sess. 3 (1946). Protecting trade dress, like protecting any trademark, is thus the very "essence of competition," *id.* at 5. Judge Posner and Professor Landes have shown that trademark protection increases both the quantity and quality of goods, precisely because a mark is both attractive and informative (similar to Samara's trade dress here).[43] Allowing the kind of free riding that Wal-Mart and certain amici are advocating here under the banner of "competition" will actually

43. A more attractive trademark is equivalent to a higher-quality good. So while a strong trademark increases the price that consumers are willing to pay for the good by lowering search costs, an attractive trademark raises prices by increasing the utility that consumers get from the good once they have bought it. Because a more attractive mark will usually be more expensive to produce, the firm will invest in such a mark only if it is rewarded by obtaining a higher price for each unit of the trademarked good that it sells. And the higher the price, the more units the firm will produce. Thus the effect of giving the attractive trademark legal protection is to increase both the quality and quantity of output, thereby benefitting consumers . . .

W.M. Landes and R.A. Posner, *The Economics of Trademark Law*, 78 T.M. Rep., 267, 296 (1988).

reduce the informational value of a brand or trade dress to consumers.

Second, trademark law already accommodates competition concerns elsewhere than in the test for inherent distinctiveness. The Lanham Act preserves competition by refusing to protect functional product features. A feature is functional "if exclusive use of the feature would put competitors at a non-reputation-related disadvantage." *Id.* at 165, citing *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 850 n.10 (1982); *see also Qualitex*, 514 U.S. at 169. Prohibiting Lanham Act protection for functional features "assure[s] that competition will not be stifled by the exhaustion of a limited number of trade dresses," *Two Pesos*, 505 U.S. at 775. If a trade dress is not functional, there need be no concern that "the initial user of any shape or design would cut off competition from products of like design and shape," *id.* Here, the number of ways to make attractive clothing is virtually infinite.[44] JA 61; *Knitwaves*, 71 F.3d at 1006. There is no market foreclosure concern; other producers do not ***need*** to copy Samara to compete.[45]

The Lanham Act also accommodates competition another way: by refusing protection to marks that become generic marks, *see* 15 U.S.C. § 1064(3). Thus, if competitors needed to use the particular combinations of features Samara uses because they define the product, trademark law would protect their access.

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44. Amicus's unsupported assertion to the contrary (Brief of Amicus International Mass Retail Assn. at 12) is at odds with the factual record in this case (*e.g.*, JA 61), the dozens of garments in the record, and with the case law, *see Knitwaves*, 71 F.3d at 1006. It is also contrary to common sense.

45. As the Court of Customs and Patent Appeals noted in *Morton-Norwich, supra*, 671 F.2d at 1339:

> the public policy involved in this area of the law [i]s not the right to slavishly copy articles which are not protected by patent or copyright, but the need to copy those articles, which is more properly termed the right to compete effectively.

But that is not the case here. There has been no showing of market foreclosure, other than *ipse dixit* assertions. The record in this case, with its plethora of different ways to make clothing, conclusively shows the total lack of impact on competition.[46]

D. The proposed alternative tests lack grounding in the Lanham Act and are contrary to *Two Pesos*

1. The test proposed by Wal-Mart has no grounding in the law and is unworkable

Wal-Mart has proposed a test for inherent distinctiveness of trade dress that has never been applied by any court, is unworkable, imports concepts that have nothing to do with inherent distinctiveness (and thus go far beyond the question this Court framed), and appears to have been manufactured by Wal-Mart specifically to match Wal-Mart's view of the facts of this case. Wal-Mart proposes that a product design is inherently distinctive only if it is "a consistent and particular design that is so unique as to be automatically, immediately, and primarily perceived as indicating source" Pet. Br. 32. As did Wal-Mart, we deal with each part of this test separately.

a. *"Consistent and particular."* Wal-Mart began to argue that the overall Samara look is too vague to be protected once

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46. The number of alternative clothing designs not only confirms the lack of any competition concerns, it also confirms that Samara's trade dress is indeed distinctive. As one ascends the *Abercrombie* scale from generic to fanciful, the number of available alternatives increases. There are very few generic names for a product. There are somewhat more terms that describe the item or its properties. The number of possible suggestive marks is significantly greater, the number of arbitrary marks even greater and the number of fanciful marks almost infinite. *Abercrombie*, 537 F.2d at 10-11. This makes the number of alternatives a handy proxy for level of distinctiveness. *See, e.g., Mana Prods., supra*, 65 F.3d at 1070; *Paddington Corp. v. Attiki Importers & Distribs., Inc.*, 996 F.2d 577, 584 (2d Cir. 1993) (bottle trade dress was arbitrary because chosen from an "almost limitless supply of patterns, colors and designs"); *W.T. Rogers Co., Inc. v. Keene*, 778 F.3d 334, 339 (7th Cir. 1985) ("ornamental, fanciful shapes are not in short supply"); *Kompan, supra*, 890 F. Supp. at 1173. *Cf.* U.S. Br. at 14.

the Second Circuit decided *Landscape*, which happened after the trial in this case, but before the district court ruled on post-trial motions. Wal-Mart now wants to elevate this argument into a test for inherent distinctiveness. It did not so argue during the trial or in requested jury instructions.

The first problem with the argument is that consistency and particularity might affect the scope of protectibility, but they are not components of inherent distinctiveness any more than non-functionality or use in commerce are elements of inherent distinctiveness. The only issue before this Court is inherent distinctiveness.

That "consistency and particularity" are not elements of inherent distinctiveness is apparent from the authorities Wal-Mart cites. These authorities demonstrate that ***all*** marks, whether their distinctiveness is inherent or acquired, must be sufficiently describable to be registered. Thus, TMEP § 1202.03(c), which requires "an acceptable statement describing the mark," is not in the section of the Manual dealing with distinctiveness of product designs; that subject is covered in § 1202.03(b) and its subparts. (Note that the TMEP subsection immediately preceding §1202.03(c) deals with secondary meaning.) In other words, description is required for ***all*** marks, whether "inherently distinctive" or not. Similarly, a drawing of the mark is required for ***all*** registration applications, 15 U.S.C. § 1051(a)(1)(B); 37 C.F.R. § 2.51(d).

Landscape confirms the point. Under *Landscape*, adequate description of a trade dress ***precedes*** testing for degree of distinctiveness: "Without such a precise expression of the character and scope of the claimed trade dress, . . . courts will be unable to evaluate how unique and unexpected the design elements are in the relevant market." 113 F.3d at 381. *See also* McCarthy § 8:3 at 8-8 ("Only [with a proper description] can the court and the parties coherently define exactly what the trade dress consists of ***and determine whether that trade dress is valid***. . . .") (emphasis added). This element — "consistent and particular" — is thus not part of inherent distinctiveness, any

more than is non-functionality or use in commerce. (In any event, Samara's trade dress is definite, *see infra* pp. 47-48.)

Moreover, Wal-Mart's articulation of the definiteness requirement is vastly overstated. Trade dress, or any trademark, does not have to be described in the same degree of detail as a patent.[47] The trade dress only needs to be described well enough that it is possible to frame an injunction that gives adequate notice what is being proscribed. After all, what an injunction against trade dress infringement prohibits is confusing similarity to an overall appearance; as the amount of verbal detail in the injunction increases, it becomes easier for a latecomer to avoid contempt while still infringing. *See Imagineering, Inc. v. Van Klassens, Inc.*, 851 F. Supp. 532, 541 (S.D.N.Y. 1994), *aff'd in part and rev'd in part on other grounds*, 53 F.3d 1260 (Fed. Cir.), *cert. denied*, 516 U.S. 909 (1995). In that connection, any uncertainty about the scope of the trade dress can be easily alleviated by appending photographs, *id*. That is what was done here. JA 283-327.

b. "*Unique*." If this is just an attempt to apply *Seabrook*, it is conceptually unobjectionable. But it requires elaboration. Standing alone, "unique" is unduly both strict and vague, because it does not explain that uniqueness under *Seabrook* calls for the factfinder to judge the product in its market context.

c. "*Automatically, immediately and primarily perceived as indicating source*." This element of Wal-Mart's proposed test evokes, with some adjectives added, the third element of the Third Circuit's standard in *Duraco, supra*, 40 F.3d at 1450 ("it must be likely that the product configuration will primarily serve as a designator of the source of the product"). It is also similar to (the formulation announced

47. *See* INTA Br. at 22 ("Competition may be limited if distinctive, source-identifying, product appearances are not afforded trade dress protection or are required, as in *Landscape Forms*, 113 F.3d at 381-82, to be delineated with the precision of patent claims.")

by) the Second Circuit's test in *Knitwaves* ("likely to serve primarily as an indicator of source").[48]

This test is unworkable for two reasons. First, it looks at the relationship of consumers to the product, instead of either the relationship of the trade dress to the product (as in *Abercrombie*) or the relationship of the product to the rest of the market (as in *Seabrook*), *Stuart Hall*, 51 F.3d at 787. A focus directly on consumers' relationship to the product is the essence of secondary meaning: "[t]o establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 851 n.11 (1982). This Court's definition of secondary meaning substantively matches Wal-Mart's proffered definition of inherent distinctiveness, though Wal-Mart adds some adjectives ("automatically, immediately"). But the adjectives do not change the nature of the test. Even if proof of "likely" consumer perception is different in degree from proof of *actual* consumer perception, it is still proof of consumer perception. Thus, facts needed to prove inherent distinctiveness under the "heightened scrutiny" standard necessarily incorporate facts ordinarily used to prove secondary meaning. *See Stuart Hall*, *supra*, 51 F.3d at 788; *Ashley*, *supra*, 187 F.3d at 372. This seems to undercut *Two Pesos*.

This case is a perfect example of the confusion such a standard can cause. The district court's opinion collapsed the two inquiries — inherent distinctiveness and secondary meaning — into a single analysis. Thus, after the district court's opinion summarized *Knitwaves* and *Landscape*, it proceeded to say that secondary meaning evidence is also relevant "indirectly" to showing that a trade dress meets the *Knitwaves/Landscape*

48. This formulation by Wal-Mart is so similar in substance (*sans* rhetorical adjectives) to the Second Circuit's standard that, if it were adopted, the Court should affirm. After all, the Second Circuit applied that standard and held in Samara's favor.

standard (Pet. App. B at 46-47). The district court then summarized the factors that led it to sustain the verdict. "The garments themselves" was one factor. Also, "[t]he jury saw dozens of garments, not only Samara and Wal-Mart garments, but children's garments sold by many other companies as well. Thus, the jury saw for itself the designs of the Samara products, the Wal-Mart products, and other competing products." (Pet. App. B at 47-48). This is, of course, the type of evidence that *Abercrombie* and *Seabrook* look to: the product itself and its peers in the market. But the district court also considered, in the same analysis: Samara's efforts to build brand loyalty; its consistent use of the same elements to produce a "look"; its advertising; its sale success; and Wal-Mart's deliberate copying. *Id.* at 48-49. The latter usually are considered as evidence of secondary meaning,[49] yet the district court considered these in determining whether the trial record supported the verdict under *Knitwaves* and *Landscape*, which purport to discuss inherent distinctiveness.

The Second Circuit's opinion in this case also cites similar evidence in explaining how the trial record in this case meets *Knitwaves, e.g.*, Pet. App. A at 9-10 (looking to, among other things, Samara's intent to use the look to indicate source,[50] its years of use and sales success). This case thus illustrates quite clearly the degree to which secondary meaning concepts are needed to show that a mark is likely primarily to indicate source. And this case is not the only one; other cases show similar

49. *See, e.g., Arrow Fastener Co. v. The Stanley Works*, 59 F.3d 384, 394 (2d Cir. 1995) (advertising expenditures, consumer studies, sales, competitors' attempts to plagiarize the mark, and length and exclusivity of the mark's use); *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 448 (4th Cir. 1986) (intentional direct copying creates presumption of secondary meaning).

50. Although the producer's intent should not be dispositive, it can be useful evidentiary datum. After all, when someone in the clothing industry sets about to create a look that sets his goods apart, he is knowledgeable about what it would take to set them apart, so there is at least some degree of probability that he will succeed in doing so.

confusion.[51] The First Circuit has noted the difficulty, *I.P. Lund, supra*, 163 F.3d at 41 ("In contrast to the Second Circuit, we believe that *Two Pesos* obliges courts to maintain a clear distinction between the inquiry into secondary meaning and the inquiry into inherent distinctiveness.").

Second, the basic problem with tests that look at source-indication power directly is that they get the analysis backwards. If a trade dress is inherently distinctive, it is ***presumed*** to be an indicator of source, *see, e.g., Ashley, supra*, 187 F.3d at 372. It "almost automatically tell[s] a customer that [it] refer[s] to a brand" ***because*** it is fanciful, arbitrary or suggestive, *Qualitex*, 514 U.S. at 162-63. In other words, if the trade dress is unique (within the meaning of *Seabrook*), then that means it is inherently distinctive — and therefore in and of itself will be deemed to "automatically" and "immediately" indicate source.[52] Wal-Mart's proposed test (and the tests on which it is based) thus gets matters precisely backwards: it confuses the ***conclusion*** that a trade dress indicates source for a test of ***whether*** it does so. The United States makes essentially the same observation about this type of test, U.S. Br. at 27-28.

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51. For example, in *Nabisco, Inc. v. PF Brands, Inc.*, 50 F. Supp. 2d 188 (S.D.N.Y.), *aff'd*, 191 F.3d 208 (2d Cir. 1999), the district court had to decide whether the shape of Pepperidge Farm's "Goldfish" crackers was inherently distinctive. After summarizing *Landscape*, *Knitwaves* and the Second Circuit opinion in this case, the court analyzed inherent distinctiveness by looking at advertising, length of use, publicity and media attention. The Court then concluded that "[b]ecause the Goldfish are inherently distinctive, there is no need to address whether the product design has acquired a secondary meaning." 50 F. Supp. 2d at 199. Thus, as in this case, evidence normally associated with secondary meaning was instead necessarily imported into the analysis of inherent distinctiveness.

52. The United States correctly points out that "primarily" operates to narrow the scope of distinctiveness unduly; it is irrelevant whether a feature serves another purpose in addition to indicating source. (U.S. Br. 27).

The only way these tests can make sense is to say (as the First Circuit did) that *Seabrook* and *Knitwaves* can be two sides of the same coin. *I.P. Lund*, 163 F.3d at 41. *Landscape* as well suggested that *Knitwaves* is an application of *Seabrook*, 113 F.3d at 382 n. 3. But if *Knitwaves* is just *Seabrook* using different words, why not use *Seabrook* and avoid the confusion?

2. The Third Circuit test is similarly deficient

The tripartite inquiry called for by the Third Circuit in *Duraco* (and advocated by amicus Private Label Manufacturers Association) is like Wal-Mart's proposed standard in that it calls for an evaluation whether the claimed trade dress is "likely to serve primarily as a designator of origin." 40 F.3d at 1448-49. For similar reasons, it is fatally deficient: it calls for some quantum of proof of secondary meaning. *See supra*, pp. 37-41.

The second prong of the Third Circuit's test is that the claimed trade dress be "conceptually separable from the product." *Id.* As elaborated in *Duraco*, this means it "must not appear to the consumer as a mere component, or the essence, of the product gestalt . . . [or] as a component of the good." *Id.* at 1449-50. But this appears to be merely a variant of the functionality doctrine and does not pertain to inherent distinctiveness. Amicus AIPLA agrees, *see* AIPLA Br. at 12 n.7, as does the United States, U.S. Br. 26.

Finally, the first element of the *Duraco* test — "unusual and memorable" — suffers from the same deficiencies as Wal-Mart's "unique" test. *See supra*, p. 37.[53]

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53. The circuits that had held, before *Two Pesos*, that secondary meaning was always needed for trade dress were the Second (*see* cases cited at p. 16, *supra*) and Third, *see Merchant & Evans, Inc. v. Roosevelt Building Prods. Co.*, 963 F.2d 628, 633 (3d Cir. 1992). It is thus notable that the two circuits that have now formulated standards for product design trade dress that incorporate a requirement akin to secondary meaning are the very same two circuits. It appears that these courts are making an end-run around *Two Pesos*, albeit in the somewhat narrower context of product design.

III. THIS COURT SHOULD AFFIRM THE SECOND CIRCUIT'S JUDGMENT

Wal-Mart's appeal was (and still is) from denial of its motion under Fed. R. Civ. P. 50 for judgment as a matter of law (Petn. Br. 5). Under Rule 50, the court does not weigh evidence; it draws all factual inferences in favor of the nonmovant. *Lytle v. Household Mfg., Inc.*, 494 U.S. 545, 554 (1990); *Cf. Anderson v. Liberty Lobby*, 477 U.S. 242, 200 (1986) (motion for directed verdict should be granted only "if there can be but one reasonable conclusion as to the verdict"). Unless there can be only one conclusion, without weighing evidence or assessing credibility, the jury's verdict must be upheld. 9A C.A. Wright & A. Miller, *Federal Practice and Procedure* § 2524 at 262 (1995) (quoting *Simblest v. Maryland*, 427 F.2d 1, 4 (2d Cir. 1970).) It is enough that there was evidence in the record from which the jury could reach the decision it did. *Berry v. United States*, 312 U.S. 450, 453 (1941). Because the jury instructions here were correct; because evidence in the record supports the verdict; and because two courts have already passed on the facts before this case arrived in this Court, no remand is necessary. The Court should affirm in accordance with settled principles of appellate review.

A. The Jury Instructions

The trial court instructed the jury that

> [a] trade dress is inherently distinctive if its intrinsic nature serves to identify a particular source of the product. An inherently distinctive trade dress is one that is likely to serve primarily as a designator of origin of the product, taking into consideration the nature of the trade dress and the context in which it is used. In determining whether the trade dress is inherently distinctive, you should consider the combination of elements forming the product's overall appearance.

(JA 143). This instruction tracks *Knitwaves*' formulation — "likely to serve primarily as a designator of source." It also references *Seabrook*, because it refers to market context.

The district court proceeded to instruct the jury on the "*Abercrombie*" classifications (JA 143), and then returned to *Seabrook*, by stressing the importance of comparing the products to the rest of the market: "Trade dress features that are commonplace or customarily used to package products in a given industry are generally not distinctive so as to set the goods of a particular seller apart from the competition" (*id.*).

Wal-Mart did not object to any of these jury instructions and did not contend previously that the district court's statement of the law to the jury on this score is incorrect.[54] Fed. R. Civ. P. 51 thus bars any contention that these instructions were erroneous.[55] Thus, Wal-Mart's position consists largely of disagreement with factual findings made by an adequately instructed jury.

B. No Remand is Necessary Based on the Record in the Case

Samara's legal position on the question the Court framed is quite similar to the United States'; the main area of disagreement is whether a remand is needed. However, the United States has not made any reference to the factual record in the case or the jury instructions. Nor did it discuss either the proper standard for appellate review of a ruling under Rule 50, or the fact that two courts have already reviewed and determined the facts of this case, *see NCAA v. Board of Regents*, 468 U.S. 85, 97 n.15 (1984) ("we must now accord great weight to a

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54. Because the district court instructed the jury in the substance of the *Abercrombie* and *Seabrook* standards, as well as the *Knitwaves* standard, the Court should affirm the judgment without a further remand if it adopts any of these tests. Although Samara believes it ultimately would prevail even under the *Duraco* standard, Samara recognizes that if the Court adopts the *Duraco* standard, a remand likely would be necessary because the district court did not so instruct the jury.

55. As the Second Circuit found, Wal-Mart waived its request for an instruction on the role of labels. Pet. App. A at 22-25.

finding of fact which has been made by a district court and approved by a court of appeals"); *Rogers v. Lodge*, 458 U.S. 613, 623 (1982) ("this Court has frequently noted its reluctance to disturb findings of fact concurred in by two lower courts").

No remand to the Court of Appeals is necessary here because the Second Circuit actually made the *Seabrook* analysis in this case, though it did not reference *Seabrook* by name. (The district court relied on *Seabrook* expressly, Pet. App. B at 47). That it did so is apparent from two facts. First, in affirming the district court's holding, the Second Circuit relied on *Seabrook*'s approach of comparing the trade dress at issue to its competitors in the market (in addition to other factors): one of the factors the Second Circuit relied on was "[the jury's] analysis of the dozens of garments displayed at trial," Pet. App. A 14. Comparing the Samara garments to the other garments in the record is, of course, precisely what *Seabrook* requires. (As noted, the jury instructions effectively incorporated *Seabrook*). Because the Second Circuit expressly relied on the jury's having made that analysis, no remand is needed.

Second, the Second Circuit has already indicated that its *Knitwaves/Landscape* standard is akin to the *Seabrook* inquiry, 113 F.3d at 378 n.3.[56] Notably, *Landscape* stresses — in a passage quoted by the court below, Pet. App. A at 11 — that the court's role is to evaluate "how unique and unexpected the design elements are in the relevant market." This is, of course, the heart of the *Seabrook* inquiry. Thus, because the Second Circuit applied *Knitwaves* and *Landscape* in affirming the district court, *see* Pet. App. A, it necessarily also applied *Seabrook*.

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56. Thus, *Landscape* notes that, in the context of clothing (which is what *Knitwaves* was about), inquiring whether a product is likely primarily to indicate source is simply a different way of stating the third *Seabrook* question: "*Knitwaves* fits neatly under the last *Seabrook* question, as the autumnal pattern [on the sweaters at issue in *Knitwaves*] is a 'commonly adopted . . . form of ornamentation." 113 F.3d at 378 n.3.

C. This Court should affirm under *Abercrombie/Seabrook* and Wal-Mart's own test.

1. *Abercrombie/Seabrook*.

The evidence outlined above (pp. 1-4, *supra*) amply supports the verdict in this case. The appearance of the Samara garments was markedly and noticeably different from that of the numerous other garments placed in evidence. Clearly, in view of the noticeable differences, the wide variety of available alternatives, and the testimony of Kleist, Hamilton and Gosda, the jury was justified in finding the Samara trade dress inherently distinctive.

Most of the complaints from Wal-Mart and amici about the result below focus on the individual elements comprising the trade dress. Thus, Wal-Mart (like the dissent below) objects that seersucker, appliques, putting appliques on collars and the like are commonly used (Pet. Br. 46-47). But there is an almost infinite number of ways to use each of these design elements, whether alone or in various combinations. And as the district court noted, Pet. App. B at 46, the trade dress is not the individual elements, but their overall combination. There is no evidence that Samara's trade dress is commonly used.[57]

Because there is more than enough evidence to support the verdict, the Court need not consider Wal-Mart's factual arguments. That there may be some factual matter in the record to Wal-Mart's liking is not the point. Rather, the sole question for a reviewing court is whether there is sufficient evidence to support the jury's verdict, and in this case there plainly is.

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57. In any event, "[t]hird party use of one or more suggestive or arbitrary elements of a plaintiff's trade dress renders that trade dress indistinct only if the third party use is so extensive and so similar to the plaintiff's that it impairs the ability of customers to use the trade dress of the products to identify their source." *AmBrit, supra*, 812 F.2d at 1537.

In addition, Wal-Mart's recitation of the facts in the record below is not even accurate. For instance, Wal-Mart refers to a Simplicity pattern to make a dress with a watermelon applique collar that supposedly is just like Samara's (Pet. Br. 46-47) — but the Simplicity watermelon design was not a collar at all and not even an applique, but rather [redacted] of the body of the garment itself. (JA 69-70).

Wal-Mart also give a misleading picture of the testimony regarding other manufacturers' making garments supposedly bearing Samara's trade dress. There was ***no*** testimony, nor an example, of a garment sold by anyone else that comes within the definition of Samara's trade dress as articulated by the Second Circuit,[58] Pet. App. A at 12-13, 18-20 (or by Samara in the district court, JA 279-81). Nor do other manufacturers routinely sell Samara look-alikes. What Samara's Vice President, Mr. Goldman said is that sometimes in other manufacturer's lines "[t]here could be a garment out of 70 in their line that might have more of a feel of ours than the rest of their line." (JA 97). An occasional overlap is a far cry from Wal-Mart's assertion that other companies routinely make Samara look-alikes. At worst, all this means is that others from time to time may in a small way (and likely innocently) infringe Samara's trade dress. It does not mean there is no trade dress, and it does not mean Samara's trade dress is common or typical. But it does underscore that this is a fact issue.

58. Despite Wal-Mart's flat assertion to the contrary (Pet. Br. 47), the garments shown on JA 189 and 241 do not meet the Second Circuit's definition of the Samara look. JA 189 is not a full cut body, lacks any collar, mixes large and small appliques, has appliques not placed symmetrically at the collar line, has both embroidered and cloth appliques and does not even appear to be seersucker. JA 241 does not have appliques in the construction of the collar (they hang off the collar); it is not a full-cut body. Ms. Gosda testified about why it does not look like a Samara garment, and the reasons match the reasons it does not fit the Second Circuit's definition (JA 66-67).

2. *Knitwaves/Landscape*

The Second Circuit, which articulated the *Knitwaves/Landscape* test, upheld the jury's verdict by applying its own standard ("likely to be perceived primarily as an indicator of source"). Thus, if this test is chosen (or even Wal-Mart's variant of it), an affirmance necessarily must follow. The final section of Wal-Mart's brief (pp. 47-49) restates the same arguments that failed in the Second Circuit, primarily the contention that the Samara garments' appearance was selected for aesthetic value rather then for source indication, *compare* Wal-Mart's brief below at 12-15, 16-17.

But this argument must fail. First, the Second Circuit found there was ample indication in the record that Samara's trade dress serves (and was designed to serve) a source-indicating purpose, Pet. App. A at 9-10. Second, a trade dress can be both attractive and source-indicating. The Second Circuit said as much in *Landscape*, 113 F.3d at 378 n.3; the United States agrees (U.S. Br. 27); other authority is in accord;[59] and common sense says so as well. After all, trademarks and trade dress should attract buyers — if they were required to be ugly to be protected, their whole purpose would be defeated.

3. *Wal-Mart's "consistent and particular" standard*

Samara showed above that consistency and particularity have nothing to do with inherent distinctiveness, and thus are beyond the scope of the question framed by the Court, *see supra*, pp. 36-37. Even were the Court to address this issue, though, Samara still should prevail. Both the district court and the court of appeals found sufficient evidence in the record that Samara's garments had a consistent and particular appearance. Under the "two courts" rule, this Court should not disturb that finding.

Samara ***has*** adequately described its trade dress. It consists of a very limited menu of design elements, which

59. *E.g. Krueger Int'l, supra*, 915 F. Supp. at 606; Dinwoodie, *supra*, 75 N.C.L. Rev. at 548-49.

are then combined in a small number of very predictable, highly consistent ways, *see supra* pp. 1-4.[60] What Wal-Mart is arguing about is the Second Circuit's synthesis of the common elements in the subsets. But the record evidence, including the testimony of Samara witnesses, a third party witness (Hamilton) and Wal-Mart's own buyer Kleist, the jurors' own perceptions, and the sheer breadth of Wal-Mart's copying, shows that the Samara line has a "coherent total image." *Imagineering, supra*, 53 F.3d at 1264.[61] Wal-Mart gives no weight to the fact that this is a ***line*** of clothing. As the Court of Appeals noted (Pet. App. 20), there will always be some degree of variation within a line.[62] At most, the consequence of Wal-Mart's argument is that Samara has six consistent trade dresses.

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60. The particular combinations appear as ¶2(a)-(f) of the proposed form of judgment Samara submitted in the district court (JA279-81). The array on Page 40 of Wal-Mart's brief is highly misleading, because it was made by taking from as many subsets as possible: one from each of the six subsets, plus a second from three of the subsets.

61. Wal-Mart's related argument that the Samara witnesses could not place into words the overall look, or that the complaint describes the look too vaguely, is irrelevant. On appeal the issue is whether evidence in the record supports the verdict. In any event, Gosda's testimony about having to learn the look (Pet. Br. 48) and Goldman's (*id.* 45) both relate to ***making*** the garments, ***not*** to recognizing them. Recognizing is what inherent distinctiveness is about.

62. *See, e.g., Hartford House, Ltd. v. Hallmark Cards, Inc.*, 846 F.2d 1268, 1270 (10th Cir.), *cert. denied*, 488 U.S. 908 (1988) (protecting overall appearance of a line of cards bearing "some or all" of the listed features); *Fuddrucker's, Inc. v. Doc's B.R.Others, Inc.* 826 F.2d 837, 839-40 (9th Cir. 1985) (trade dress in overall appearance of line of restaurants that "do not all have precisely the same decor"); *Libby Glass, Inc. v. Oneida Ltd.*, 61 F. Supp. 2d 700, 704-05 (N.D.Ohio 1999) (trade dress adequately defined in seven separate patterns). There is no authority that a line is not protectible, or should be subject to a more stringent test.

In any event, Wal-Mart failed at the trial to request a jury instruction on consistency. If Wal-Mart believes that to be an element of inherent distinctiveness, it should have requested that the jury be so told. Fed. R. Civ. P. 51.

Finally, contrary to Wal-Mart's assertion (Pet. Br. 48), selling one's trade-dressed goods for sale under a private label does not necessarily vitiate trade dress protection. *See, e.g., Insty*Bit, supra*, 95 F.3d at 666 (private labeling not fatal to inherent distinctiveness). Despite a label, consumers still may be confused because they could assume that there is a license or affiliation between the source and the retail outlet, *see Taco Cabana, supra*, 932 F.2d at 1122 ("The issue is not whether consumers can read signs and menus that identify different restaurants, but whether consumers assume some affiliation between *Taco Cabana* and *Two Pesos*").

CONCLUSION

The judgment should be affirmed.

Respectfully submitted,

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